

Chief, Industrial Division, ORR

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Chief, Electrical Equipment Branch, ORR

Statement of Problems Encountered in the Coordination of USASIA  
Contributions to Section 64-I, NIS

1. This memorandum is submitted as a review of the difficulties encountered by this Branch in the coordination of contributions made to the Czechoslovakia and Poland NIS, Section 64-I, "Manufacturing and Construction, Telecommunications Equipment Industry".
2. The US Army Signal Intelligence Agency (USASIA) is the originator of NIS 64-I, "The Telecommunications Equipment Industry". This section is coordinated with the Electrical Equipment Branch, Industrial Division, ORR, before being sent to the writer of Section 64. Past contributions have followed closely the rather minimal instructions prescribed for this section. As a result of this and other deficiencies described below, the work has been characterized by incompleteness and obscurity. The reader obtains at best only a partial view of the industry, and in some instances erroneous impressions have been created. Two factors are believed to be primarily responsible for the shortcomings in NIS contributions made by the USASIA. The first of these is that the type of research normally performed by USASIA is largely technical and non-economic. The ability of USASIA to meet the qualitative standards desired by CIA in this NIS Chapter is thus circumscribed. The second factor is that the research is not done on an all-source basis. It has been recommended by the RIC Subcommittee on Electronics and Telecommunications that, as a result of this latter point, USASIA reports be considered more as "information" than as "intelligence" reports. Some examples of deficiencies in past USASIA NIS contributions are provided below.
3. Probably the greatest deficiency found is that many pertinent data available before the cutoff date for research have simply not been included. Even data in available statistical handbooks have been ignored in some contributions, or included only in a fragmentary form. In addition, there have been time lags of up to six months between the cutoff date for research at USASIA and the date of submission to this Branch for coordination. This time lag almost insures that within the intervening period new pertinent data will have become available.
4. Non-substantive deficiencies are also present in several forms. The review by this Branch is made difficult by the lack of specific documentation. Only broad finished intelligence studies are cited. An equally important difficulty in review arises from the lack of an explicit methodology for the more important estimates. One additional

difficulty, less troublesome than the preceding ones, is caused by the lack of similarity between CIA and USASIA in the definition of the industry covered. The estimates of this Branch are made in agreement with the ORR Industrial Classification System, while USASIA has developed a different definition tailored to their own more narrow responsibility. The ORR classification was developed in conformity with the Commerce Department's Census of Manufactures to facilitate comparison with US industry data. While this does not give our definition a certain claim to superiority, it has been found to be more complete and more easy to work with than has the one used by USASIA.

5. A lack of comparative data, and an unnecessarily large number of limiting qualifications constitute two additional weaknesses in USASIA contributions. Quantitative comparisons with the industries of other Bloc countries are seldom made. It is felt that such comparisons provide a necessary framework for the reader to evaluate the importance of the telecommunications equipment industry of any particular country in the Bloc. The contributions are also considerably weakened by numerous qualifications or statements indicating that information is scarce. The excessive use of such statements probably results in part from the exclusion of USASIA from all-source material.

6. As a result of the problems cited above, an excessive number of man-hours must be expended by this Branch and others in the NIS program in the coordination of the contributions in order to make them qualitatively acceptable to CIA. Inflexible scheduling of other research at USASIA has, in some instances, further imposed a burden on this Branch of revising the unacceptable contributions ourselves. Under the present organization of responsibility with USASIA, and their present man-power limitations, there appears to be little possibility that future contributions will be significantly improved.

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